

# MEMORANDUM

## COUNTY OF PLACER

### DEPARTMENT OF ADMINISTRATIVE SERVICES

TO: Honorable Board of Supervisors

FROM: Andrew Sisk, Auditor-Controller  
Jerry Gamez, Director of Administrative Services

DATE: July 21, 2015

SUBJECT: Transient Occupancy Tax Audit & Communications Strategy Update.

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#### ACTION REQUESTED

1. Receive an update on the Transient Occupancy Tax Audit & Communications Strategy.

#### BACKGROUND

The Administrative Services Department's Revenue Services Division (Department) administers the County's Transient Occupancy Tax program in accordance with Placer County's Uniform Transient Occupancy Tax Ordinance. Transient occupancy tax is a rental tax paid by guests for occupancy of overnight lodging, 30 nights or less, within the unincorporated areas of Placer County.

The Transient Occupancy Tax (TOT) rate for Placer County is eight (8%) percent for the western slope and ten (10%) percent for the eastern slope. Approximately \$12 million is collected annually through 3,819 operators. The tax paid by visitors helps fund projects that benefit the County as a whole. These include public parks, infrastructure improvements, and historical and environmental preservation.

Consistent with best business practices, the Department enlisted the assistance of the Auditor-Controller's Office to conduct periodic audits of operators subject to the County's TOT ordinance. Operators are responsible for keeping records for a period of 4 prior years, and making those records available for inspection. The County has the right to inspect these records and conduct audits in order to ensure compliance with the Transient Occupancy Tax Ordinance.

The update to your Board consists of a Transient Occupancy Tax Program overview and presentation of the current and future Audit & Communications Strategies for the western and eastern slopes.

#### FISCAL IMPACT

The cost to conduct the initial round of audits is \$50,000 and is funded through the County's Transient Occupancy Tax program, with no new net county costs.